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C O N F I D E N T I A L SECTION 01 OF 02 BEIJING 003706

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TAGS: PREL ETRD CH TH

SUBJECT: THAI PM MEETS CHINESE LEADERS AND SIGNS FIVE-YEAR PLAN FOR STRATEGIC PARTNERSHIP IN BEIJING VISIT

REF: BEIJING 592

Classified By: Edgard Kagan, Political External Unit Chief. Reasons 1. 4 (b/d).

¶1. (C) Summary: Thailand Prime Minister Surayud Chulanont visited Beijing and Kunming May 28-29, meeting with President Hu, Premier Wen and State Councilor Tang. The PM was accompanied by Thailand's Defense Minister, who met separately with PRC Defense Minister Cao and state-run arms procurement agency COSTIND, but no new arms sales were announced. The two countries signed a five-year framework of activities under their strategic partnership and a document agreeing to recognize each other's university degrees for purposes of graduate school admission. Surayud's visit was cut short when he needed to return to Bangkok because of legislative activity outlawing ousted Thai PM Thaksin's former political party, a Thai Embassy official told us. End Summary.

¶2. (C) Thai PM Surayud made his first official visit to China as PM May 28, meeting with President Hu, Premier Wen and State Councilor Tang, according to Yang Yang, Deputy Director of the MFA Asia Department Thailand and Maritime Southeast Asia Division. Chinese leaders evaluate the bilateral relationship with Bangkok very highly, Yang told us, noting that China has pledged to support Thailand no matter what its form of government and without regard to development of Thai internal politics. Thai Embassy poloff Namon Yuthavong provided Poloff with a similar readout, although she noted that Premier Wen told Surayud China was pleased to see Thailand making progress at restoring elected government. Leaders expressed satisfaction over the annual bilateral trade volume of USD 25 billion, Namon added, noting that they are on track to reach their goal of expanding bilateral trade to USD 50 billion per year by 2011.

¶3. (C) Leaders signed two major bilateral agreements during the visit, MFA's Yang said. A Five-Year Plan for the China-Thailand Strategic Partnership will serve as an umbrella document setting forth goals and encouraging greater exchange in fields ranging from the economy, science and technology, health and culture to political and security affairs. The Thai Embassy's Namon said the partnership is a general framework through 2011 and does not spell out any specific or detailed programs. Education ministries from both countries inked a pact that makes undergraduate degrees earned at many Thai universities valid for students applying to Chinese graduate schools and vice versa, Namon added.

Defense Minister Joins But No Arms Deals Announced

¶4. (C) Surayud was accompanied by Thai Defense Minister Boonrawd Santal, whose separate schedule included meetings with China's Minister of Defense Cao Guangchan and with officials of state-run arms dealing entity COSTIND, Namon said. These meetings, which followed up on talks Committee for National Security Chair General Sonthi had during his January 21-24 visit (reftel), resulted in agreements to enhance exchange of military officials, but Namon said no new arms deals were reached.

Visit to Yunnan, Transport Links

¶5. (C) On May 28, PM Surayud visited China's Southwest Yunnan Province, where he held talks with Governor Qin Guangrong. The two discussed cross-border issues involving trade, drugs and movement of people, including two planned highways that will link Thailand with Yunnan Province via Laos and Burma. The first such highway is due to open by 2008, Namon said, although she noted that a planned railway link through Laos has been delayed. Yunnan experts in poppy eradication and crop substitution will be sent to Thailand as part of Chinese support for a special project on poppy eradication run by the charitable foundation of Thailand's King, to which Beijing donated US\$ 1 million, she added.

Trip Cut Short Because of Political Party Law

¶6. (C) Surayud had planned to stay in China an additional day but cut short his trip so that he could be present in Bangkok for legislative action on a political party law, said Namon, whose father is Science Minister in the Thai government. The

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law, which outlawed former PM Thaksin's Thai Rak Thai Party, is controversial and may lead to more political troubles in Thailand if the former Thai Rak Thai officials who can no longer take part in political life seek other outlets for their political views, she said.

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